



CARNIVAL
CORPORATION & PLC

November 18, 2021

Richard Corey
Executive Officer
CALIFORNIA AIR RESOURCES BOARD
P.O. Box 2815
Sacramento, California 95812

Subject: Application to CARB Executive Officer for Approval of Innovative
Concept Compliance Option on behalf of Carnival Corporation & plc
Pursuant to 17 CCR 93130.17(a)

Dear Mr. Corey:

Carnival Corporation & plc (hereinafter “Carnival”) hereby submits its application for approval of an “Innovative Concept Compliance Option” to “reduce emissions from sources in and around the regulated port or marine terminal at a level equivalent or greater to what would be achieved by reducing emissions from vessels” under Sections 93130.7 and 93130.9 of Title 17, Cal. Code of Regulations.

Through the following application components and proposed measures, Carnival believes that its fleet of vessels will be able reduce nitrogen oxides (NOx), particulate matter (PM 2.5), and reactive organic gas (ROG) emissions equivalent to or greater than the level that would have been achieved by the Control Measure, while not increasing greenhouse gas (GHG).

1) *Company name, address, and contact information:*

Carnival Corporation & plc
Carnival Place
3655 N.W. 87 Avenue
Miami, Florida 33178-2428

Attention: John Haeflinger, Senior Vice President – Maritime Policy & Analysis
Phone: 305-406-7811
Email: jhaeflinger@carnival.com

- 2) *Description of proposal including an overview of the source and scope of emission reductions, and a project site plan and location map:*

Several separate cruise line brands comprise the “Carnival Group” of companies. These cruise line brands are semi-autonomous entities within the Carnival Corporation and Carnival plc corporate structure. In 2003, Carnival Corporation and Carnival plc completed a “dual-listed company transaction” whereby the businesses of each entity were combined through contracts and provisions in each company’s governing documents. They operate as Carnival Corporation & plc, though each company maintains separate legal status. Both companies are public companies with separate stock exchange listings and shareholders. The cruise brands included under this corporate structure are Princess Cruises, Carnival Cruise Line, Holland America Line, Seabourn, Costa Cruises, AIDA Cruises, Cunard, P&O Cruises (UK), and P&O Cruises (Australia). The brands are managed by what Carnival refers to as “operating lines.” Those operating lines, and the brands for which they are responsible, are Holland America Group (Holland America Line, Princess Cruise Lines, Seabourn, and P&O Cruises Australia); Costa Group (Costa Cruises and AIDA Cruises); Carnival UK (P&O Cruises UK and Cunard Line); and Carnival Cruise Line.

For the purposes of the Final Regulation Order, two of the Carnival Group’s operating lines, Holland America Group and Carnival Cruise Line (“Carnival Innovative Concept Fleet”), should be considered a single fleet of cruise ships. For clarity, the Carnival Innovative Concept Fleet therefore includes Holland America Line, Princess Cruise Lines, Seabourn, P&O Cruises Australia and Carnival Cruise Line. The Carnival Innovative Concept Fleet intends to connect to shore power on every occasion when one of its vessels docks in a California port unless the ship or the dock at the California port lacks shore power capabilities. Starting January 1, 2023, given the size of the Carnival Innovative Concept fleet, we anticipate that at least 80% of the fleet’s visits will result in a successful connection to “Shore power”, inclusive of up to 15% of the visits resulting in “Terminal Incident Events (“TIE”). Starting January 1, 2025, we anticipate that at least 90% of the fleet’s visits will result in a successful connection to “Shore power”, inclusive of up to 5% of the visits resulting in a TIE. We anticipate that we will not have more than 5% of visits not reducing emissions, including the potential for a few occasions where a Carnival Innovative Concept Fleet vessel without shore power capability docks in a California Port.

- 3) *Estimate of the vessel emissions planned to be covered under the innovative concept for each pollutant NO_x, PM 2.5 and ROG by multiplying the emission factor for a pollutant found in section 93130.5 (d) of this Control Measure by the expected number of vessel visits, average visit duration, and expected power used during an average visit:*

This innovative concept will cover the entire Carnival Innovative Concept fleet and 100% of that fleet’s planned emissions.

- 4) *The proposed recordkeeping, reporting, monitoring, and testing procedures that the applicant plans to use to demonstrate reductions:*

The Carnival Innovative Concept fleet intends to follow the recordkeeping and reporting requirements contained in section 93130.7 (e)(4) of the Final Regulation Order. However, we propose submission of this information on behalf of the entire fleet on a quarterly basis each calendar year during the effective length of the Final Regulation Order as opposed to separate submissions for each specific “vessel’s departure.” Given the size and scope of the Carnival Innovative Concept fleet and the number of ship visits by the fleet each calendar year, submission of this aggregate data on a quarterly basis would greatly reduce the administrative burden both shipboard and shoreside and reduce the risk of non-compliance in terms of administrative requirements.

- 5) *A Memorandum of Understanding or similar agreement between the applicant, any funding partners (if more than one entity is providing funding), owners and operators of controlled equipment for the innovative concept that shows agreement regarding the innovative concept’s scope and requirements for using the innovative concept in compliance with this Control Measure. The Memorandum of Understanding or similar agreement must be approved by the Executive Officer and must be in place prior to the start date of the innovative concept compliance period:*

Not applicable as Carnival Corporation & plc has no need to funding partners for this concept and this concept does require a collaboration “with owners and operators of controlled equipment for the innovative concept.”

- 6) *The proposed length of time during which the innovative concept would be used (up to five years, as specified in subsection 93130.17 (a) (8) of this Control Measure), as well as the number and duration of any anticipated time extension requests as set forth in that same subsection:*

Five (5) years.

- 7) *A summary of all governmental approvals necessary to enable development of the innovative concept; and*

None are necessary.

- 8) *A discussion regarding any environmental review requirements that may apply to the proposed innovative concept, including identification of which agency would serve as the lead agency for environmental review purposes; and*

Not applicable because the proposed innovative concept does not require any agency review.

- 9) *Any information necessary to demonstrate that the proposed innovative concept meets all eligibility and applicability requirements in subsection 93130.17 (a).*

Based on historical performance, the Carnival Innovative Concept Fleet anticipates that it will be able to limit the number of visits that do not reduce emissions to no more than 5% at each California port falling with the scope of the Final Regulation Order, each calendar year.

If you or any other CARB officials have any follow up questions or concerns about Carnival's application, you are welcome to contact me directly at 305-406-7811 or via email at jhaeflinger@carnival.com.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Haeflinger", with a stylized flourish at the end.

John Haeflinger
Senior Vice President
Maritime Policy & Analysis